

REC'D MAY 02 2008

REORGANIZATION PLAN SUBMITTAL SHEET

(Each municipality in a School Union must be indicated separately.)

School Administrative Units Included in APPROVED Notice of Intent	School Administrative Units Submitting Reorganization Plan
MSAD #53	MSAD #53
MSAD #59	MSAD #59

Contact Information:

RPC Chair

Name: Robert Downs / Troy Emery
Address: RR 1, Box 1580, / 80 River Rd.
Pittsfield, ME 04967/ Madison, ME 04950
Telephone: 487-5275 (h)/ 969-3964 (w)
email: Bob_Downs@hphc.org/ troyemery@verizon.net

Date Plan Submitted: May 2, 2007 / May 2, 2007Proposed RSU Operational Date: 7/1/09

Michael A. L. Singh
Signature/Title

11/06
Date

MSAD #53
SAU

Michael A. L. Singh
Signature/Title

11/13
Date

MSAD #59
SAU

Signature/Title

Date

SAU

Signature/Title

Date

SAU

Signature/Title

Date

SAU

Signature/Title

Date

SAU

Signature/Title

Date

SAU

Signature/Title

Date

SAU

Reorganization Plan Cover Sheet

(Please attach Reorganization Plan as Exhibit A)

Required Elements							
Law Reference Item Number Sub- Chapter 2	Item	N/A	Complete	In Progress	Not Yet Started	Identified Barrier ¹	Need Assistance ²
3.A(1)	SAUs included in RSU		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.A(2)	Size of governing body		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Composition of governing body		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Apportionment of governing body		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.A(3)	Method of voting of the governing body		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.A(4)	Composition of local school committees	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Powers of local school committees	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Duties of local school committees	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.A(5)	Disposition of real & personal school property		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.A(6)	Disposition of existing school indebtedness (if not using provisions of section 1506)		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disposition of lease-purchase obligations (if not using provisions of section 1506)		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.A(7)	Assignment of school personnel contracts		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Assignment of school collective bargaining agreements		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Assignment of other school contractual obligations		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.A(8)	Disposition of existing school funds and existing financial obligations		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.A(9)	Transition plan that addresses the development of a budget for the first school year		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Transition plan that addresses interim personnel policies		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.A(10)	Documentation of the public meeting(s) held to prepare or review reorganization plan		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.A(11)	Explanation of how units that approve reorganization plan will proceed if one or more units do not approve the plan		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.A(12)	Estimate of cost savings to be achieved		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.A(13)	Such other matters as the governing bodies of the school administrative units in existence on the effective date of this chapter may determine to be necessary		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

¹ Please explain why this is a barrier and what assistance you need to remove this barrier on the next page.

² Please explain what assistance you need to complete this portion of your plan, and state from whom you need assistance, on page 3.

Parameters for Plan Development							
Law Reference Item Number Sub-Chapter 2	Item	N/A	Complete	In Progress	Not Yet Started	Identified Barrier ³	Need Assistance ⁴
3.B(1)	Enrollment meets requirements (2,500 except where circumstances justify an exception ⁵)		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sec. XXXX-36, Parameter B	When viewed in conjunction with surrounding proposed units, may not result in one or more municipalities being denied the option to join an RSU		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.B(2)	Comprehensive programming for all students grades K - 12.		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Includes at least one publicly supported high school		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.B(3)	Consistent with policies set forth in section 1451		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.B(4)	No displacement of teachers		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	No displacement of students		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	No closures of schools existing or operating during school year immediately preceding reorganization, except as permitted under section 1512		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sec. XXXX-26, Parameter F	The plan must address how the school administrative unit will reorganize administrative functions, duties and noninstructional personnel so that the projected expenditures of the reorganized school unit in fiscal year 2008-2009 for system administration, transportation, special education and facilities and maintenance will not have an adverse impact on the instructional program ⁶		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.18 Collaborative Agreements							
						Yes	No
Does your plan currently include information/documentation on collaborative agreements? (not required, but encouraged)						<input checked="" type="checkbox"/>	<input type="checkbox"/>

Exceptions to 2,500 minimum

Actual number of students for which the RSU is fiscally responsible: 2197

Exception	Exception Claimed in Plan	Documentation Provided? (Please attach as Exhibit B)	
		Yes	No
Geography	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Demographics	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Economics	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Transportation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Population Density	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Other Unique Circumstances	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

³ Please explain why this is a barrier and what assistance you need to remove this barrier on the next page.

⁴ Please explain what assistance you need to complete this portion of your plan, and state from whom you need assistance, on page 3.

⁵ Please note in the *Exceptions to 2500 minimum* section on next page

⁶ This requirement is only for those who plan to be operational as an RSU in fiscal year 2008-2009, in accordance with a Reorganization Plan that is approved by the Commissioner and by the voters.

Explanation of Barriers –

Please use this section to explain any/all barriers identified on the previous page as a barrier in completing your Reorganization Plan.

Law Reference/Required Element	Explanation of the barrier

Assistance Needs –

Please use this section to describe your needs for assistance and from whom you need assistance.

Law Reference/Required Element	Explanation of your assistance need	Assistance needed from whom?

REORGANIZATION PLAN

SAU Submitting: MSAD #53 and MSAD #59

Contact Information:

RPC chairs:

MSAD #53

Robert "Bob" Downs

RR 1, Box 1580

Pittsfield, ME 04967

MSAD #59

Troy Emery

80 River Road

Madison, ME 04950

Superintendents:

MSAD #53

Michael A. Gallagher

293 Hartland Ave.

Pittsfield, ME 04967

MSAD #59

Michael A. Gallagher

55 Weston Ave.

Madison, ME 04950

Date Originally Submitted by SAU:
November 6, 2007

Proposed RSU Operational Date:
July 1, 2009

The proposed regional school unit includes the following school administrative units:

Maine School Administrative District No. 53 and Maine School Administrative District No. 59

2. The size, composition and apportionment of the governing body.

3. The method of voting of the governing body.

Option D
Using Weighted Voting

The regional school unit board shall be composed of 15 members. Each municipality in the RSU shall elect the following number of its residents to serve on the Board and their votes shall be weighted as follows:

Municipality	2006 Est.	Percent of Population	Total Votes	Number of Directors	Number of Votes Per Director	Percentage of Voting Power per Director	Total Votes by Municipality
	Federal Decennial Census						
Madison	4,662	37.2%	4,662	3	1,554	12.4%	4,662
Starks	592	4.7%	592	2	296	2.4%	592
Brighton	87	0.7%	87	1	87	0.7%	87
Athens	854	6.8%	854	2	427	3.4%	854
Pittsfield	4,292	34.2%	4,292	3	1,431	11.4%	4,292
Detriot	892	7.1%	892	2	446	3.6%	892
Burnham	1,153	9.2%	1,153	2	577	4.6%	1,153
Total	12532	100.0%	12,532	15			12,532

Voting at all meetings of the Board shall be by hand, voice or roll call.

Except in cases of unanimous votes, the votes of all members shall be recorded in the minutes. To conduct business at any meeting a majority must be present.

All motions shall be carried or defeated by a majority of weighted votes of those present and voting, except motions to adjourn to executive

session, which shall require the vote of three-fifths (3/5) of the members present and voting and motions requiring two thirds (2/3) majority under Robert's Rules of Order.

Each board member shall serve a 3-year term, except that the initial terms of the members of the first regional school unit board shall be staggered as provided by Section XXXX-40 (see below).

Sec. XXXX-40. Initial staggered terms. Notwithstanding the Maine Revised Statutes, Title 20-A, section 1471, subsection 2, the initial directors elected to a regional school unit board of directors shall meet and draw lots for the length of term specified as follows.

1. Municipalities with annual elections. In municipalities with annual elections, 1/3 of the directors serve one-year terms, 1/3 of the directors serve 2-year terms and 1/3 of the directors serve 3-year terms. If the number of directors is not evenly divisible by 3, the first remaining director serves a 3-year term and the 2nd a 2-year term.

2. Municipalities with biennial elections. In municipalities with biennial elections, 1/2 of the directors serve 4-year terms and 1/2 of the directors serve 2-year terms. If the number of directors is not divisible by 2, the remaining director serves a 4-year term.

4. The composition, powers and duties of any local school committees to be created.

N/A

The new RSU board will determine if local committees will be created and if so will determine their powers and duties.

5. The disposition of real and personal school property.

All real property interests, including without limitation land, buildings, other improvements to realty, easements, option rights, first refusal rights, and purchase rights, and all fixtures, of the school administrative units shall be property of the region. The regional school unit board may require such deeds, assignments or other instruments of transfer as

in its judgment is necessary to establish the region's right, title and interest in such real property and fixtures.

All other tangible school personal property, including movable equipment, furnishings, textbooks and other curriculum materials, supplies and inventories shall become property of the region as successor of the SAUs.

6. The disposition of existing school indebtedness and lease-purchase obligations if the parties elect not to use the provisions of Section 1506 regarding the disposition of debt obligations.

As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Existing debt" means any bond, note, loan agreement, lease-purchase agreement or other debt instrument issued prior to July 1, 2008 for the purposes of funding public schools, or for refinancing such debt, that remains outstanding at the time of a reorganization pursuant to this chapter. "Existing debt" does not include routine payables or commercial contract obligations.

B. "Original education unit" means:

(1) A previous education unit that has existing debt; or

(2) A municipality that has existing debt incurred on behalf of a previous education unit.

C. "New unit" means a regional school unit created or established pursuant to this chapter.

The region (new unit) shall assume liability to pay the bonds, notes and lease purchase agreements listed in Exhibit 1.

Additionally, other bonds, notes and lease purchase agreements issued by an SAU before the operative date of the region shall be assumed by the region, provided the SAU issued the bond, note or lease purchase agreement in the normal course of its management of the schools for an essential purpose to replace its existing facilities and existing items of equipment that are no longer serviceable or to keep them in normal operating condition.

If the voters or other applicable legislative body of MSAD #59 or MSAD #53 has authorized or plans to authorize the issuance of bonds for a school construction or a minor capital project, but the SAU has not issued all of the authorized permanent bonds for that project, the regional school unit board shall issue bonds or notes to finance the completion of that project and to refund any temporary notes that the SAU issued for that project, as required by 20-A M.R.S.A. § 1506(5). With respect to such new project debt, the region shall assume liability to pay the following bonds, notes and lease purchase agreements.

Notwithstanding anything in this Plan to the contrary, except where legally required to do so, the region will not assume any bond, note or lease purchase agreement as to which the SAU is in breach or has defaulted.

Notwithstanding any other provision of law or any provision of any trust agreement, a new unit may use any sinking fund or other money set aside by the original education unit to pay an existing debt to pay that debt.

A new unit may issue bonds or other debt instruments for the purpose of refinancing or retiring the existing debt of an original education unit. The issuance of such bonds or other debt must be in accordance with applicable procedural requirements, including the procedural requirements of section 1490.

7. The assignment of school personnel contracts, school collective bargaining agreements and other school contractual obligations.

A list of all written individual employment contracts to which each of the existing SAUs is a party is attached as *Exhibit 2*. Pursuant to Section XXXX-43(5), individuals on the list who are employed on the day before the operational date shall become employed by the RSU as of the operational date, and their contracts shall be assumed by the RSU on the operational date. This provision does not prevent the existing SAUs from terminating or nonrenewing the contracts of employees in accordance with applicable law before the operational date of the RSU. The list shall be updated and made final no later than the day before the operational date of the RSU.

A list of all employees of the existing SAUs who do not have written individual employment contracts is attached as *Exhibit 3*. Pursuant to Section XXXX-43(5), individuals on the list who are employed on the day before the operational date shall become employed by the RSU as of the operational date. This provision does not prevent the existing SAUs from terminating employment of the employees in accordance with applicable law before the operational date of the RSU. The list shall be updated and made final no later than the day before the operational date of the RSU.

The duties and assignments of all employees transferred to the RSU shall be determined by the Superintendent of the RSU or his/her designee.

The following collective bargaining agreements listed in Exhibit 3 shall be assumed by the regional school unit board as of the operational date:

All of the employer's rights and responsibilities with respect to collective bargaining shall be fully assumed by the regional school unit board as of the operational date.

A list of all contracts to which the existing SAUs are a party and that

may be in effect as of the operational date is attached as *Exhibit 4*. The interim Board of Directors of the RSU will determine whether these contracts are to be assumed.

It is assumed the RSU will assume the contracts listed in Exhibit 4 as of the operational date subject to review and approval of the RSU board. The list of contracts provided in Exhibit 4 is subject to change at any time including changes made anytime by the interim RSU board.

The SAU Board and superintendent shall seek to terminate or negotiate for termination of the following contracts prior to the operational date:

SAU	Contracting Party	Type of Contract	Expiration Date
MSAD 53	Maine State Billing	Medicaid reimbursables	July 1, 2008
MSAD 59	Maine State Billing	Medicaid reimbursables	July 1, 2009
MSAD 59	Maine State Billing	Case Management	August 1, 2009

8. The disposition of existing school funds and existing financial obligations, including undesignated fund balances, trust funds, reserve funds and other funds appropriated for school purposes.

Pursuant to Section XXXX-36(5) the disposition of existing financial obligations is governed by this plan.

Existing financial obligations shall include the following:

- (i) all accounts payable;
- (ii) to the extent not included as accounts payable, any financial obligations which under generally accepted accounting principles would be considered expenses of the SAU for any year prior to the year the RSU becomes operational, whether or not such expenses were budgeted by the SAU in the year

the obligations were incurred, including for example summer salaries and benefits; and

- (iii) all other liabilities arising under generally accepted accounting principles that can be reasonably estimated and are probable.

Each SAU shall satisfy its existing financial obligations from all legally available funds. If an SAU has not satisfied all of its existing financial obligations, the SAU shall transfer sufficient funds to the region to satisfy its remaining existing financial obligations, and the regional school unit board shall be authorized to satisfy those existing financial obligations on behalf of the SAU. If the SAU does not transfer to the region sufficient funds to satisfy its existing financial obligations, then to the extent permitted by law, the regional school unit board may satisfy those obligations from balances that the SAU transfers to the region. If the available balances transferred are insufficient to satisfy the SAU's existing financial obligations, or are not legally available for that purpose, the regional school unit board may take any action permitted by law so that all of the municipalities of the region are treated equitably with respect to the unsatisfied existing financial obligations of an SAU. For example, to the extent permitted by law, the regional school unit board may satisfy the unpaid existing financial obligations of an SAU in the same manner and with the same authority as for unassumed debt under the provisions of 20-A M.R.S.A. § 1506(4). Salaries and benefits payable after June 30, 2009 including all summer salaries earned during the 2008-09 school year shall be the responsibility of SAD 53 and SAD 59.

Additionally, to the extent permitted by law, if in the judgment of the regional school unit board it must raise funds from all its members to satisfy existing financial obligations of an SAU, the regional school unit board also shall be authorized to raise additional amounts for the purpose of making equitable distributions (which may be made in the form of credits against assessed local shares of the region's approved

budget) to those region members that would otherwise bear costs attributable to unsatisfied existing financial obligations of an SAU for which they had no financial responsibility. The intent of the preceding sentence is that financial responsibility for unsatisfied existing financial obligations of an SAU be borne by its members and not by the other members of the region.

The balance remaining in the SAU's school accounts after the SAU has satisfied existing financial obligations in accordance with this plan shall be paid to the treasurer of the regional school unit, verified by audit and used to reduce that SAU's contribution as provided by Section XXXX-43(4). In this plan, both SAU's shall maintain not less than 50% of the fund balances of the June 30, 2007 audit in the amounts as follows: MSAD #53 (\$445,172.50) and MSAD #59 (\$440,158.50) to the next fiscal year; and transfer not less than 50% of the fund balances of the June 30, 2008 audit in amounts to be determined, to the regional school unit.

Transfers of remaining balances may occur within the period specified by Section XXXX-43(4), or, as may be preferable in the case of a district, at any time before the district has closed its accounts and ceased normal operations.

SAUs shall transfer remaining balances of reserve funds to the regional school unit. Unless otherwise provided by applicable law, a transferred reserve fund shall be used in accordance with its original purpose to benefit a school or schools of the transferring SAU. Transferred reserve funds shall be subject to Title 20-A M.R.S.A. § 1491, except that the transfer of funds in a reserve fund or a change in purpose of the fund may only occur in such manner that the funds continue to benefit the members of the SAU that transferred that reserve fund to the region.

SAUs shall transfer remaining balances of scholarship funds to the region. Scholarships shall be limited to the original pool of potential recipients unless otherwise provided by the donor or by applicable law.

SAUs shall transfer trust funds to the region. The regional school unit board shall be deemed the successor trustee for all purposes, except as provided by the trust or by applicable law.

Existing Financial Obligations through June 30, 2007

	Dist. Budget	est. obligations	est. fund balance
MSAD #53	\$ 10,784,869.00	\$ 10,584,869.00	\$ 200,000.00
MSAD #59	\$ 11,277,390.00	\$ 11,077,390.00	\$ 200,000.00

NON MAJOR PERMANENT FUNDS JUNE 30, 2007

MSAD #53

TRUST FUNDS

PITTSFIELD BAND

TRUST	\$ 6,985.00
LEAHS GIFT	\$ 3,640.00
SCOTT JAYNES	\$ 3,167.38

MSAD #59

SCHOLARSHIPS

<u>Account #</u>	<u>Account name</u>	<u>July 1, 2007 beginning balance</u>
103002181	Blackwell Music CD	\$ 4,756.15
	Blackwell Music	\$ 3,504.71
	Shawn Dean Scholarship	\$ 1,556.26
1285332	Geroge Jacobs Scholarship	\$ 97.44
	Perkins Music	\$ 1,723.30
	MSAD 59 Board of Directors	\$ 1,231.47
SAD 1285299	James Sites Scholarship	\$ 170.75
3008945	John Ferris Scholarship - Book	\$ 1,232.79
1285310	Lyndzy Duprey Scholarship	\$ 306.66
1285321	Leroy Jacobs Jr Athletic Award	\$ 44.61
SAD 3007747	Savoy Scholarship - Book	\$ 6,496.62
	Alexander Richard Investment	\$ 20,077.43
SAD	Preble Scholarship Investment	\$ 440,025.23
SAD	Savoy Scholarship Investment	\$ 764,649.12
Total		<u>\$ 1,245,872.54</u>

FUND BALANCE JUNE 30, 2007

				current balance
MSAD #53	DESIGNATED	\$	344,454.00	\$ 157,288.20
MSAD #53	UNDESIGNATED	\$	890,345.00	
MSAD #59	UNDESIGNATED	\$	880,277.00	

9. A transition plan that addresses the development of a budget for the first school year of the reorganized unit and interim personnel policies.

The regional school unit board shall establish interim rules of procedure and shall elect interim officers who shall serve until officers are elected at a meeting following the operational date of the region.

The regional school unit board shall select a superintendent of schools in accordance with Section 1051 of Title 20-A. During the interim period, the salary, office and other expenses of the superintendent, as well as the cost of the regional school unit board, including insurance, shall be allocated to the school administrative units as provided below.

When the region is formed to become operational as of July 1, 2009, then following the issuance of a certificate of organization by the State Board of Education, the school boards and superintendents of the SAUs within the region shall begin a process for developing proposed budgets for educational programs and services within their SAUs for the fiscal year beginning July 1, 2009. In developing their proposed budgets, the SAUs shall consider potential cost savings and additional costs that may result from reorganization. The SAUs also shall consider changes in operations that may be necessary in order to reduce costs of non-instructional areas without adversely affecting the educational program. During the months of February and March, the school boards of the SAUs and their superintendents shall conduct joint meetings and budget workshops as necessary to develop a proposed budget for the first operational year of the regional school unit. Specific duties may be assigned to existing personnel with the approval of the employing SAU.

A proposed budget with supporting documentation shall be developed in time for its presentation to and consideration by the initial regional school unit board of directors. The regional school unit board shall complete the budget development process and recommend a budget for consideration by the voters.

The regional school unit board shall propose and approve a recommended budget in accordance with 20-A M.R.S.A. § 1482 for the first operational year for submission to the voters of the region. The budget format, approval procedures and assessments for the regional school unit's first operational year budget shall be in accordance with 20-A M.R.S.A. §§ 1482-1489. The regional school unit board shall have all necessary authority for those purposes. This shall be considered the first year of use of the budget validation referendum process for purposes of determining the continued use of the budget validation referendum process every three years pursuant to Section 1486(1).

The regional school unit board shall be authorized to take all other actions and shall have all other authority provided under state law to prepare for the regional school unit to become operational on July 1 of the first operational year; including the authority to open and maintain accounts, to incur expenses not to exceed \$30,000 to be allocated among the regional school units' (SAUs) members in accordance with their respective most recent state valuation; and to file applications for school construction projects and revolving renovation fund loans and other available funding.

All personnel policies existing in the previous school administrative units shall continue to apply to the same employment positions after they become part of the regional school unit. After the operational date, the regional school unit board and superintendent will develop and adopt region-wide policies in accordance with applicable law.

10. Documentation of the public meeting or public meetings held to prepare or review the reorganization plan.

Minutes of the following public meeting(s) held to prepare or review the reorganization plan are attached as Exhibit 10-A:

Date of Public Meeting	Time	Location
July 16, 2007	6:30 P.M.	Warsaw Middle School
August 1, 2007	6:30 P.M.	Warsaw Middle School
August 8, 2007	6:30 P.M.	Warsaw Middle School
August 15, 2007	6:30 P.M.	Warsaw Middle School
September 5, 2007	6:30 P.M.	Warsaw Middle School
September 12, 2007	7:00 P.M.	Sebasticook Valley Middle School
September 20, 2007	6:30 P.M.	Madison Area H.S.
October 4, 2007	6:30 P.M.	Warsaw Middle School
October 17, 2007	6:30 P.M.	Warsaw Middle School
October 22, 2007	6:30 P.M.	Madison Area M.S.
November 7, 2007	6:30 P.M.	Maine Central Inst.
December 20, 2007	6:30 P.M.	Madison Elem. School
January 16, 2008	6:30 P.M.	Athens Elem. School

11. An explanation of how units that approve the reorganization plan will proceed if one or more of the proposed members of the regional school unit fail to approve the plan.

If one or more of the proposed members of the region fail to approve the plan, the SAUs that approve the plan shall proceed as follows:

If the plan is rejected by one or more SAUs, the region shall not be formed under this plan, and the SAUs shall re-start the process to form a regional school unit with the same or other school administrative units and may seek assistance from the Department of Education to form another reorganization plan pursuant to Section XXXX-36(11).

The MSAD #59 and MSAD #53 RPC will convene a meeting or meetings to determine from the citizens of the communities reasons for

failure to win voter reorganization authorization. Utilizing the information, the RPC will edit the reorganization plan and conduct another referendum. The intent will be to continue to work with the same partner.

12. An estimate of the cost savings to be achieved by the formation of a regional school unit and how these savings will be achieved.

All cost savings listed in this Plan are estimates and are subject to change.

Although the structure of the System Administration for the RSU is yet unknown, we estimate that the formation of the regional school unit will result in the following cost savings during the first three years of operation:

Estimated Cost Savings

2009-2010

SAD #59

Transportation and Facilities Director	\$65,000 (salary and bene.)
Use of SAD #54 transportation software	\$10,000 (possible)
NCLB Stipend	<u>\$ 3,500</u>
SAD #59 total	\$78,500

SAD #53

Shared Superintendent w/SAD #59	\$ 54,600
½ time clerical position Supt. office	\$ 25,000 (salary and bene.)
Use of SAD #54 transportation software	<u>\$ 10,000</u> (possible)
SAD #53 total	\$ 89,600

Total 2009-2010	\$168,100
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2010-2011

SAD #59 and SAD #53 (new RSU)

The amounts above plus

2.5 Maintenance Positions to 2.0	\$20,000
2.5 Special Education Secretaries to 2.0	\$15,000
Curriculum Consultants	\$25,000

Total 2010-2011

\$60,000

2011-2012

SAD #59 and SAD #53 (new RSU)

Other than continuance of the above listed cost savings, other cost savings are unknown at this time.

13-A. Plans to reorganize administration, transportation, building and maintenance and special education.

MSAD #53 and #59 will be developing a reorganization plan for administration, transportation, buildings and maintenance and special education during our budget construction process.

System Administration:

For 2008-09 FY

MSAD #53 and MSAD #59 will share one Superintendent and will therefore save salaries and benefits equaling approximately \$53,000 in SAD #53 and \$55,000 in SAD 59.

MSAD #59 has discontinued employment of their transportation supervisor/maintenance director position and will replace the position with an interim position through an administrative reorganization. The elementary principal will move to the Superintendent's office as the interim Assistant Superintendent and will assume the transportation/maintenance/curriculum/food services coordinator role and be the "go-to" person in the district in the absence of the part-time Superintendent. The Assistant Superintendent will be paid a stipend over his regular principal salary. This will cost MSAD #59 approximately \$20,000 more than the transportation/maintenance position. Therefore SAD #59 will have a net cost reduction as noted above of approximately \$55,000. The Superintendent along with the current and next year's school boards in MSAD #59 and MSAD #53 and the new Regional

School Unit board will determine the system administration structure for the new Regional School Unit.

Transportation:

MSAD #59 is considering three options for transportation.

Option 1: If MSAD #59 contracts their busing the selling of their fleet will significantly impact revenue in that year. If MSAD #59 does contract their busing there may be significant savings realized in that budget year. This could occur in 2008-2009 or at a later date or not at all.

Option 2: MSAD #59 is having conversation with MSAD #54 regarding the sharing of a Director of Transportation, combining bus garages and sharing routing software.

Option 3: MSAD #59 is exploring the elimination of door to door pickup for K-4 students and the use of separate bus runs for K-4 and 5-12 students.

MSAD #53 currently contracts bussing services with Cyr Bus Co. The annual increase in the contract is three percent (3%) and diesel fuel costs are continuing to escalate at an alarming rate. Therefore to decrease transportation costs seems undoable. However, MSAD #53 is also exploring usage of the transportation software owned by MSAD #54 for routing buses with the hope that costs may be reduced.

Special Education:

We can only hope that by using current October 1, 2007 data regarding current student populations we will be able to meet federal "maintenance of effort" regulations and reduce costs within Special Education. MSAD #59 will be eliminating (2) two, one-on-one educational technicians due to the graduation of 2 students. MSAD #59 eliminated 2 special education teaching positions in 2007-2008 due to changes in enrollment.

Special Education is a cost center that can change rapidly and unexpectedly due to changes in student population. MSAD #59 and MSAD #53 are currently exploring regionalization of some special education services with MSAD #54.

Revenue from Medicaid may be increased by the start-up of a Day Treatment Program in MSAD #53. This could occur in 2008-2009 or at a later date. The additional Medicaid revenues will decrease the need for additional taxes.

Buildings and Maintenance:

The maintenance budget could be reduced by 5% by postponing repairs and upkeep of the buildings in both districts. Although this will shorten the life expectancy of the buildings we are unable to see how we will reduce costs with rising costs of any repairs and maintenance services.

I'm sure that as we continue to work through this process we will discover other ways to decrease costs and some areas that may have an increase in cost due to regionalization. We will continue to explore financial impact on all cost centers.

13-B. Cost Sharing in Regional School Unit

For the first operational year of the RSU (FY 2009-10) each municipality shall be responsible for its share of additional local funds and local only debt service raised by the RSU calculated on the basis of that municipality's percentage of the combined total amount of additional local funds and local only debt service raised by SAD #59 and SAD #53 in the prior fiscal year (FY 2008-09). After the first operational year of the RSU, the RSU's additional local funds and local only debt service shall be shared among all the municipalities in the RSU by the same percentages as each municipality's local contribution to the RSU's total allocation for essential programs and services as calculated in accordance with State law.

13-C. Election of initial board of directors.

Within 30 days of the issuance of a certificate of organization for the regional school unit by the State Board of Education, the members of the school boards of the school administrative units within the regional school unit shall conduct a joint meeting for the purpose of electing an interim secretary of the regional school unit and determining a date for the election of the initial board of directors of the regional school unit. The interim secretary shall notify the municipal officers of the member municipalities of the regional school unit of the date of the election. The election shall be conducted in accordance with Title 30-A Chapter 121 of the Maine Revised Statutes, as amended by Section 1473(2) of Chapter 103-A of Title 20-A of the Maine Revised Statutes, except that the election duties of the secretary and board of directors of the regional school unit shall be performed by the interim secretary. The duties of the interim secretary shall include:

- 1) notification of the municipal officers of the date of the election;
- 2) furnishing nomination papers at least 10 days before the deadline for filing nomination papers;
- 3) receipt of completed nomination papers in accordance with 20-A M.R.S.A. §1473;
- 4) preparation and distribution of election ballots in accordance with 20-A M.R.S.A. §1473;
- 5) receipt of town clerk's certification of the results of the voting in each member municipality;
- 6) tabulation of the town clerk's certification of the results of the voting in each municipality;
- 7) accepting any recount petitions that may be filed pursuant to 20-A M.R.S.A. §1473; and
- 8) totaling the votes cast for each candidate and notifying the clerks in each municipality, the candidates, and the Commissioner of

Education of the final results of the voting and the names and addresses of the persons elected as directors.

In accordance with 20-A M.R.S.A. §1473(1), the clerk of each municipality within the regional school unit shall forward the name(s) and address(es) of the director(s) elected to represent that municipality to the State Board of Education with such other data with regard to their election as the State Board of Education may require. On receipt of the names and addresses of all of the directors, the State Board of Education shall set a time, place and date for the first meeting of the directors and give notice to the directors in writing, sent by registered or certified mail, return receipt requested, to the address provided by the municipalities.

13-D. Tuition Contracts and School Choice

THIS SECTION WILL BE COVERED BY A POLICY ALLOWING CHOICE WITH STIPULATIONS

1. Tuition Contracts

The following tuition contracts are in existence as of the date of this Plan:

SAU	Other Party	Description	Termination Date
MSAD #53	Maine Central Institute	Exclusive contract for all MSAD #53 students in grades 9-12	June 30, 2013

Each of the above tuition contracts will be assumed by the RSU unless terminated prior to the operational date of the RSU.

To provide opportunities for secondary students within each of the current School Administrative Districts, the RSU intends that secondary students from SAD 59 and SAD 53 be given the opportunity to attend either secondary school in the RSU, as per afore mentioned policy.

13-E. Claims and Insurance

Disclosure of claims

The parties are unaware of any lawsuits, administrative complaints, due process proceedings, notices of claim or any other claims.

13-F. Vote to submit reorganization plan to Commissioner.

Before submitting a reorganization plan to the Commissioner of Education, the governing body of each school administrative unit shall adopt the following vote:

VOTED: That the provisions included in the school reorganization plan prepared by the *MSAD #59 or MSAD #53* Reorganization Planning Committee to reorganize *MSAD #59 and MSAD #53* into a regional school unit with an operational date of July 1, 2009, are determined to be necessary within the meaning of Section XXXX-36(5)(M) and that the Superintendent of Schools be, and hereby is, authorized and directed to submit the school reorganization plan to the Commissioner of Education on behalf of this *MSAD #59 or MSAD #53* on or about May 2, 2008.

13-G. Section for RSUs with fewer than 2,500 students

- (a) Geography, including physical proximity and the size of the current school administrative unit;

MSAD #53 and MSAD #59 are located in Central Maine

along the Seabasticook River to the Kennebec River and the foothills of the Western Mountains. The two largest towns Madison and Pittsfield are approximately 29 miles apart and approximately a 40 minute drive away from one another. From one end of the new RSU the distance is approximately 35 - 40 miles. The MSAD #54 towns of Canaan and Skowhegan lie between Pittsfield and Madison. The SAD 48 towns of Palmyra and Hartland lie between Pittsfield and the northern most town in SAD #59, Athens. The distance from Athens to Madison is 18 miles. The distance from Athens to Pittsfield is 20 miles.

(b) Demographics, including student enrollment trends and the composition and nature of communities in the regional school unit;

By far the largest towns are Madison (4,523) and Pittsfield (4,214) and are the local service centers of each region. The other communities range in size from slightly more than one thousand to less than one hundred with the following populations: Burnham (1,142); Athens (847); Detroit (816); Starks (578); and Brighton Plantation (86) residents. The total student population according to the ED 281 is (2,204) of which SAD #59 has (1,031) and SAD #53 has (1,173).

It would appear that SAD # 59 will continue to experience some student population growth, whereas SAD #53 seems to be experiencing a slight decline.

(c) Economics, including existing collaborations to be preserved or enhanced and opportunities to deliver commodities and services to be maximized;

Adult Education is shared with MSAD #59 and MSAD #54. MSAD #59 currently shares a .5 FTE Nurse, Physical

Therapist, ESL Tutor as well as students transported for extra and co-curricular events. MSAD #53, 54 & 59 will explore sharing accounts payables, payroll services, purchasing, food service, alternative education, maintenance and technology.

(d) Transportation;

SAD #59 currently runs their own transportation system. However, they are exploring contracting bus service. MSAD #53 has always contracted bussing services.

(e) Population density; or

Most communities are rural with the two largest towns being Madison and Pittsfield.

(f) Other unique circumstances including the need to preserve existing or developing relationships, meet the needs of students, maximize educational opportunities for students and ensure equitable access to rigorous programs for all students.

Exhibit 1

Name of SAU	Year Issued	Original Principal Amount	Asset Acquired, Constructed or Renovated	Principal Balance as of July 1, 2009	Final Maturity Date
MSAD #53	2003	\$255,733.70	renovations	\$ 102,293.48	8/1/12
MSAD #53	2001	\$300,000.00	renovations	\$ 90,000.00	9/1/11
MSAD #53	2005	\$292,794.00	renovations	\$ 204,955.80	8/1/15
MSAD #53	2006	\$ 34,868.00	renovations	\$ 20,920.80	8/1/12
MSAD #53	2001	\$626,112.00	renovations	\$ 199,623.91	11/1/11
MSAD #53	2005	\$502,728.00	renovations	\$ 394,772.74	11/1/15
MSAD #53	2005	\$256,473.00	renovations	\$ 231,308.55	7/1/15
MSAD #53	2006	\$ 57,133.01	copier	\$ 25,694.42	7/15/10
MSAD #53	2007	\$ 11,240.00	copier	\$ 2,810.00	3/15/10
MSAD #59	2000	\$500,000.00	constructed	\$ 432,391.18	11/1/21

**The Local only
Debt July 1,
2009**

MSAD #53 LOCAL DEBT	\$ 1,272,379.70
MSAD #59 LOCAL DEBT	\$ 432,391.18

Exhibit 2

Name of SAU	Position type(s)	Date of expiration
MSAD #53	Food service	2008
MSAD #53	Crossing guards	2008
MSAD #53	Administrative Assistants (9)	2008
MSAD #53	Custodian/director of maintenance serv.	2008
MSAD #53	Superintendent	2009
MSAD #53	Elementary Principal	2009
MSAD #53	Elementary Assistant Principal	2009
MSAD #53	Middle School Principal	2009
MSAD #53	Middle School Asst. Principal	2009
MSAD #53	Administrator of Special Services	2009
MSAD #53	Curriculum Specialist	2009
MSAD #53	Business Manager	2008
MSAD #53	Accounts Payable/Food transport.	2008
MSAD #53	Data Entry P/T 10 hrs/week	2008
MSAD #53	Food Services director	2008
MSAD #59	Cafeteria, Computer Techs, Ed Techs	2008
MSAD #59	Bus Drivers, Custodians	2008
MSAD #59	Superintendent	2012
MSAD #59	Administrative Assistant	2010
MSAD #59	Director of Support Services	2010
MSAD #59	Director of Special Services	2012
MSAD #59	Bookkeeper	2010
MSAD #59	Payroll Clerk	2010
MSAD #59	MAMHS Principal	2010
MSAD #59	MJr.HS Principal	2010
MSAD #59	MES Principal	2009
MSAD #59	Director of Guidance	2010
MSAD #59	School Nurse	2010
MSAD #59	Maintenance Supervisor	2008
MSAD #59	Computer Facilitator K-12	2010
MSAD #59	Computer Technician	2008

Exhibit 3

SAU	Positions Included in Bargaining Unit	Next Termination Date
MSAD #53	Teachers, nurse, guidance, IT	2008
MSAD #53	ed techs, custodians	2010
MSAD #59	Teachers	2010
MSAD #59	Administrative Assistants	2008

Exhibit 4

SAU	Contracting Party	Type of Contract	Expiration Date
MSAD #59	Hasler Mailing/GE Capital Lease	Mail Machine Lease	10/18/08
MSAD #59	US Cellular	Cell Phone	7/31/08
MSAD #59	Modern Pest Services	Pest Control	10/20/08
MSAD #59	Transco Business Technologies	Copier Maintenance/Service	Annual
MSAD #59	Ikon	Copier Maintenance/Service	Annual
MSAD #59	A-Copi Imaging Systems	Copier Maintenance/Service	Annual
MSAD #59	Stanley Elevator Co.	Maintenance-Elevators	Annual
MSAD #59	Bolster's Rubbish Removal	Trash - Athens	Annual
MSAD #59	Three Rivers Disposal	Trash - In Town	June 30, 2009
MSAD #59	MSAD #54	Adult Ed Service	Annual
MSAD #59	MSAD #54	Vocational Assessment	Annual
MSAD #59	Redington Fairview General Hospital	Sports Trainer Service	Annual
MSAD #59	Madison Area Health Center	Physicals	Annual
MSAD #59	Bob's Cash Fuel	Gas/Diesel	Annual
MSAD #59	C.N. Brown	Heating Oil	Annual
MSAD #59	ADS	Accounting/Payroll Software	Annual
MSAD #59	Rediker Software	Admin Plus/Grade Quick Support	Annual
MSAD #59	Transfinder	Transportation Software	Annual
MSAD #59	Verizon	In State Phone Service	Rolling
MSAD #59	Telrite	Long Distance Phone Service	Rolling
MSAD #59	TDS	Phone Service - Athens	Rolling
MSAD #59	Kyes Insurance	Insurances	Annual
MSAD #59	McIntire Business Products	Laminator Service/Product	Annual
MSAD #59	Software	Site Licenses	Annual
MSAD #59	NWEA	Testing	Annual
MSAD #59	Plato Learning, Inc.	Software Maint/Service - MHS	Annual
MSAD #59	A/P Examinations	Testing	Annual
MSAD #53	Honeywell	HVAC	6/30/08
MSAD #53	Bolster's Trash	Trash and recycling	6/30/08
MSAD #53	ADS	Accounting & Payroll	6/30/08
MSAD #53	Snow Removal	Snow plowing/sanding	Annual
MSAD #53	Dorman's	Mowing, mulching etc	Annual
MSAD #53	Robinson's Oil	Oil, diesel, gas	Annual
MSAD #53	Oce Imagistics	Copier service	Annual
MSAD #53	NWEA	testing	annual
MSAD #53	JMG	Alternative Ed.	annual
MSAD #53	Transco	Risograph service	annual
MSAD #53	NutriKids	Food service accounting	annual
MSAD #53	Precision Weather	Weather advisory	annual
MSAD #53	US Cellular	Cellular phone service	rolling
MSAD #53	Telrite	In/out of state toll calling	rolling
MSAD #53	McIntire	Roll laminators service	annual
MSAD #53	Software	Site licenses	annual
MSAD #53	Pitney Bowes	Postage machine	2/28/10
MSAD #53	MSMA	District insurance	Renewable 5 yr
MSAD #53	Cyr Bus	transportation	2009

MSAD #53	Maine Central Inst.	Grades 9-12 education	2013
MSAD #53	Family Doctors	School physician	Annual
MSAD #53	Teacher Web	Teacher web pages	annual
MSAD #53	Maine Elevator	Elevator inspections	Annual
MSAD #53	Protection I	Security/fire monitoring	annual
MSAD #53	Simplex/Grinnell	Sprinklers/fire ext.	annual
MSAD #53			